Pennsylvania Agricultural Conservation Assistance Program (ACAP)

THE PURPOSE OF THIS ACT IS TO ESTABLISH A PROGRAM TO PROVIDE FINANCIAL AND TECHNICAL ASSISTANCE FOR THE IMPLEMENTATION OF BEST MANAGEMENT PRACTICES ON AGRICULTURAL OPERATIONS.

PA Clean Stream Fund

- Created under the FY 2022-23 General Fund State Budget
- ► Historic investments to reduce non-point source (NPS) pollution in Commonwealth streams, rivers and other water bodies.
- Creates new "Clean Streams Fund" with an initial appropriation of \$220 million
- ➤ Comprehensive funding package to address polluted runoff from NPS such as agriculture, urban areas, acid mine drainage, abandoned mine land, and helping plant more trees along streams and rivers.

- ► Seventy percent (70%) or \$154 million of the CSF is dedicated to ACAP.
- ► Ten percent (10%) or \$22 million of the CSF is dedicated to Nutrient Management Fund
- ► Funds must be committed by the SCC by 12-31-24 and spent by 12-31-26
- ▶ 4% SCC administration cap for SCC
- ▶ 4% SCC contractual cap for SCC

- SCC Administers ACAP Program
 - Development of guidelines and criteria
 - ► Designate eligible BMPs
 - Establish program evaluations and quality control
 - ▶ Develop a training, education, and TA program for staff performing program work
 - Designate a system for collecting and reporting data
 - ► Delegate certain duties and responsibilities to conservation districts, Penn State, or other entities

- Criteria for SCC Allocations to Counties
 - ► Agriculturally Impaired Stream Miles
 - ► Number of Cropland Acres
 - ▶ Number of Farms
 - ► Number of livestock and poultry
 - ► Other criteria established by SCC

▶ CD Funding Constraints

- ► Funds allocated to CDs may roll over into following year
- ► Funds must be spent by December 31, 2026
- SCC shall redistribute unspent funds after 2 years based on allocation criteria
- ► 6% cap on administrative funds (not including TA)
- ▶ 14% cap of apportionment can be used for technical assistance

CDs may use ACAP funds for

- ► Financial and technical assistance to participants
- Establish procedures for submission, review, ranking and approval of applications
- ► Entering into agreements with applicants (minimum 80% of funds)
- ► Ensuring applicants fully comply with BMP maintenance and other contractual requirements

▶ CD Duties and Responsibilities

- ► Enter into delegation agreement (if you choose to participate)
- Conduct program consistent with SCC guidelines
- Accept and review complete applications within 90 days
- Enter into agreements with successful applicants
- Oversee agreements for the design and installation process
- Verify completion and certification of BMP
- Reimburse participant

- Criteria for Evaluation of Applications
- ▶ BMP meets the goals of any applicable WIP or CAP plan
- ▶ BMP is part of a conservation plan or AG E&S plan and a manure management or nutrient management plan.
 - Development of such plans shall be included in the application if not yet developed prior to the application.
 - Priority given to BMPs that implement best management practices for control of nitrogen or phosphorus or sediment.
- ▶ All ACAs must be treated to abate storm water runoff, loss of sediment, loss of nutrients from the ACA, or the implementation of such BMPs shall be included in an application for funds.
- Proximity to surface waters, public drinking water sources or karst geology with underground drainage systems or open sinkholes.
- ▶ The project must meet the design and construction standards established by the commission.
- Any other criteria considered by the conservation district, as applicable, and approved by the commission.

▶ Miscellaneous

- Liability for failure of performance Commission or its designated agent shall take action to enforce terms of agreement with applicants
- ► SCC Annual Report to Legislature
- Obligation for SCC or agent to conduct ACAP where CDs do not participate

► What BMPs are eligible?

- Enabling legislation directs the program to fund BMPs that address Sediment, Nitrogen, and Phosphorus pollution
- ► SCC developed a list of approved BMPs, but BMPs not on the list could be eligible. Contact your local district to discuss any ideas you have.
- ► Typical BMPs:
 - ► Manure Storage, HUA / Roofed
 - ► Buffers, Cover Crops
 - Waterways
 - Watering facilities

Challenges

- ► Time Frames (12-31-24 and 12-31-26)
- Statewide Ramp-Up
- ► Technical Assistance
- ► Planning Assistance
- Staffing

Opportunities

- ► Interaction with Other Financial Assistance Programs
 - ► CEG, REAP, AgriLink, EQIP, Other
 - Administrative and TA Funding

Timeline

- ▶ July 2022 December 2022
 - ▶ <u>Draft</u> Guidelines, Allocations, ROMs, and Delegation Agreement
 - Circulated documents for public review
 - ► Met with ACAP Advisory and Technical Assistance Committee(s) several times to review documents
 - Public comment period closed
 - ► Finalized guidelines, allocations, ROMs, and delegation agreement based on comments
 - ► Developed a question-and-answer document
 - ▶ Began discussions to formulate a technical assistance center

Timeline

- ► January March 2023
 - ► Working with districts to enter into the delegation agreements
 - Processing Delegation agreements and advance payments to districts
 - ► Finalizing necessary program documents
 - ▶ Draft local policy
 - ► Contracts / agreements
 - ► Federal Reporting information
 - ► Allocating funding to PSU Center and working on long term scope of work
 - ► Finalized bidding requirements
 - Developing trainings

Delegation Agreement

- ▶ 65 signed delegation agreements have been returned to the SCC. Awaiting final agreement signatures
- ► 64 agreements have been fully executed through legal and comptrollers
- ▶ 64 advance payments have been processed. Typically gets to the district 30 days after processing.
- ▶ Districts are accepting applications already and construction has begun on a few ACAP projects

SCC Staffing

- ► ACAP Regional Staff
 - ► 4 regional ACAP/CEG program specialist 1 position postings have closed and final verbal offers have been made.
 - ▶ Patrick McCarthy- CPS1-NE started May 22nd
 - ► Samantha Zaner- CPS1-Central started June 5th
 - ▶ Will assist districts with administration/implementation of the program
 - Assist ag operations with implementing the program
 - Oversee districts to ensure QAQC

ACAP Engineering / Technical Assistance

- ► Current TA Available to Districts/Applicants
 - ► An applicant may utilize up to 10% of their contract amount to reimburse engineering costs
 - ► A district may utilize up to 14% of their allocation for technical assistance expenses. This includes engineering.
 - Districts may work with NRCS to bundle ACAP with EQIP on projects to secure technical assistance. NRCS is hiring five regional engineers with priority given to these projects. We realize this isn't a solution in all cases, but a tool to keep in mind.

ACAP Engineering

- ► SCC currently working on following options:
 - ► The PSU Ag Center is moving forward. SCC approved funding in February.
 - ▶ PSU will be hiring an Engineer to oversee ACAP designs and will help build technical assistance capacity.
 - ►SCC considering contracted engineers hired by districts that works closely with the Center
 - ►These engineers will be placed strategically on a regional basis

ACAP Engineering

- ► Additionally:
 - SCC is hiring 4-6 regional staff members to assist with all facets of the program including TA.
 - SCC is leading efforts to promote agronomic practices, such as cover crops, buffers, grazing systems that do not require engineering

► Is ACAP subject to prevailing wage?

SCC staff met with US Dept of Labor and the PA Department of Labor and Industry to discuss prevailing wage. Discussions are ongoing with Labor and Industry related to specific topics. However, it is likely Prevailing Wage will apply to most ACAP funded projects.

SCC is planning to provide districts with a webinar that goes into detail about how prevailing wage will work in ACAP. Labor and Industry has offered to be presenters.

► Can ACAP be paired with other grant sources?

To the best of our knowledge, ACAP will be able to be paired with other grant sources. However, when combining funds its important to remember that all policies and rules must be followed for all programs being utilized. Example – combining EQIP and ACAP, then both NRCS and ACAP guidelines must be followed.

► Can the ACAP funding be used to pay for certain agricultural planning requirements (NM, MM, AG E&S, etc.)?

ACAP can fund agricultural plan development. However, SCC recommends that other funding opportunities, such as PACD's Ag Plan Reimbursement Program, be utilized before ACAP. ACAP's primary intention is to fund the BMPs that are a part of a MMP, NMP, Ag E&S plan or Conservation Plan.

Will a maximum funding amount per project be set?

The ACAP enabling legislation contained no maximum funding amount. However, the ACAP Advisory and Technical Assistance Workgroups recommended adding a statement to Section 10 (a) of the ACAP Guidelines as stated below:

-An eligible applicant shall not receive in excess of \$500,000 in any given year without prior approval from the Commission. A district may choose to set a lower cap under \$500,000 for their county.

What is ACAP's cost-share rates and who determines them?

The enabling legislation does not specify any cost-share rates for ACAP. At this time, SCC is allowing cost share rates to be determined by each individual district.

Questions?